

Sting Agents Probing Former Official of INS

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FBI agents armed with information from one of their newly surfaced "sting" operations are investigating allegations that Mario T. Noto, the former No. 2 man in the Immigration and Naturalization Service, acted improperly to help the reputed organized crime boss of New Orleans fight deportation.

At least one current immigration official is under investigation in another matter as well.

These new inquiries stem from Operation Brillab, in which FBI agents, posing as insurance men affiliated with Prudential Insurance Co., allegedly bribed high-ranking officials in Louisiana and other southern and western states.

Brilab itself is one of 50 major FBI undercover operations that have begun to surface since Feb. 2, when seven congressmen and one U.S. senator were revealed as having been videotaped allegedly agreeing to trade political influence for cash, according to sources.

Also being investigated in the newly revealed probe is I. Irving Davidson, a Washington public relations man, sources said. Davidson, who acknowledges that he has now learned he was involved in events under investigation, denies any wrongdoing.

Davidson said FBI agents questioned him for four hours Friday about his relationship with reputed New Orleans Mafia boss Carlos Marcello and Noto.

Persons familiar with the investigation of Noto said he is believed to have interceded on Marcello's behalf in return for promises by Davidson of future employment.

Davidson said yesterday he had discussed the Marcello case and other pending immigration cases with Noto, but said, "I didn't do it for money. I did it as a labor of love. I wanted to help Marcello."

Davidson said he had gone to Noto on several occasions to get help on im-

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migration matters because of what he perceived as general inefficiency in the agency. In addition, he said he had helped Noto, a lawyer, get clients, since he left the Immigration service, but said the two events were unrelated.

Attempts by The Washington Post to reach Noto for comment yesterday were unsuccessful.

Davidson said the FBI agents also

asked him if he had been involved in alleged assistance given to a Dominican Republican doctor by a current INS employee, whom he identified as Marion (Babe) Sheehi. Justice Department sources confirmed that Sheehi was also under investigation for alleged improper handling of immigration matters.

In an interview with The Washington Post yesterday, Davidson described how he inadvertently helped the FBI set up Operation Brillab. His account was later confirmed by sources close to the investigation.

Davidson said he was approached eight or nine months ago by an old friend, Joseph Hauser—a convicted insurance fraud schemer. Hauser, the key FBI informant in Brillab, brought with him to that meeting two persons not known to be FBI agents, Davidson said.

Hauser introduced one to Davidson as his nephew and the other as an associate. Hauser told Davidson that he had become affiliated with Prudential Insurance Co., and asked Davidson to put him in touch with Marcello because he, his nephew and the associate wanted to seek insurance business in Louisiana.

Davidson said he was surprised at first that Hauser, who had been in so much trouble, could connect with Prudential, but that such an arrangement made sense because Hauser was recognized as having such good contacts that he would still be an excellent insurance salesman.

"I was very helpful," Davidson said. He said he called Marcello—whom he described as "an old friend . . . I don't believe this Mafioso business"—because "everybody knows Mr. Marcello knows Louisiana state politics."

Davidson said he felt sorry for Hauser because of his previous legal problems and because Hauser appeared to him to be physically ill and distressed. At times, Davidson said, Marcello would call him and ask that Hauser's "nephew and associate" conduct most of any future business deals because he did not believe Hauser was physically able to conduct them himself.

Davidson, who said he had known Hauser for several years before this set of events began, said he went with Hauser and his two associates to their



CARLOS MARCELLO

... immigration problems since 1961

first meeting with Marcello in New Orleans.

He said he was at a restaurant with them on one occasion in New Orleans when they were waiting to see an unidentified state official when Hauser said he was prepared to give the man "10 or 15 grand," as Davidson recalled it.

"I said, 'Joe, are you crazy?' Carlos said, 'Don't give anybody any money,'" Davidson said.

"I don't know if any deals were made," Davidson said yesterday, adding that the FBI agents also had asked him about possible payoffs to Louisiana state officials.

"I know Mr. Marcello very well. He knows everybody in the state. I introduced them and that's it," said Davidson, who carries a joke business card that describes himself as "door opener and arranger."

Davidson said he was unaware of the undercover operation until the FBI agents who questioned him Friday said, "Irv, you were set up. Those weren't Mr. Hauser's nephews. Those were FBI agents."

The FBI agents told him they had bugged his conversations for a year, Davidson said. Justice Department sources said the bug was not in place that long.

Marcello has had immigration problems since 1961, when he was—according to several accounts—kidnaped by immigration officials and deported to Guatemala. He got back into the United States a little later, and has been fighting deportation since then.

Davidson said yesterday he met Noto at an Italian-American group's



EDWIN EDWARDS

... grand jury appearance set

dinner and talked about Marcello's problems, and Noto suggested that Marcello write a personal letter to someone else in the immigration agency. Marcello did that, and Davidson said the letter was delivered but no final action was taken on Marcello's case.

"When they bugged me, they must have heard me talking about helping Carlos," Davidson said. "I don't care. I'm in the people business."

Davidson said he called Marcello yesterday morning to apologize for introducing him to Hauser, but that Marcello said, "So what? You couldn't help it. Take it easy." As for Hauser, Davidson said he has not seen the undercover man for four or five months.

"I think the man (Hauser) is a little sick... the government took a weak man. I couldn't believe it" when the agents said he was an FBI plant, Davidson said.

Sources close to the Brilab operation said its original targets were to be suspect union officials, but that it rapidly turned toward Marcello's ties to public officials, especially in Louisiana but in other states as well.

In Louisiana and Texas yesterday, some of the public figures that were named as alleged bribe recipients a day earlier acknowledged that they had been questioned by the FBI and were facing grand jury subpoenas.

Louisiana Lt. Gov. Jimmy Fitzmorris, alleged recipient of \$10,000 in return for promises of a large state insurance contract, was said to have

been subpoenaed along with outgoing Gov. Edwin Edwards.

Edwards said he had been questioned by the FBI on Friday and that he is to appear before a grand jury on Tuesday.

Louis Lambert, who defeated Fitzmorris in the Democratic gubernatorial primary last fall, also allegedly got a \$10,000 payoff. He was in Washington for a Mardi Gras celebration this weekend and told reporters he had not been contacted by the FBI.

He didn't discuss the charge directly, saying, "I'm somewhat puzzled... It's very disturbing to have my name mentioned."

Lambert has been mentioned as a candidate for a vacant seat on the Federal Energy Regulatory Commission. Fitzmorris, who endorsed Rep. David Treen, the Republican who beat Lambert in the Louisiana runoff for governor in December, announced on Friday that Fitzmorris would become his administration's executive assistant for economic development.

Treen said last night that he didn't believe the charge against Fitzmorris.

In Texas, House Speaker William Clayton told a news conference yesterday afternoon that he met with Hauser and L. G. Moore a union official, last November to discuss an insurance contract for Prudential.

At the meeting the union official gave him a "campaign contribution" and "instead of creating a scene with the resulting embarrassment to Mr. Moore in front of his business associate, I laid his offered contribution on my desk," Clayton said.

He told an aide to put the money in a safe place to be returned to Moore later when he returned to the office. Clayton said yesterday the money wasn't returned, however. He said he has been subpoenaed to appear before a grand jury in Houston Tuesday.

Clayton, 51, was elected to an unprecedented third term as House speaker last year. He is a conservative Democrat from the panhandle town of Spring Lake.

Contributing to this article were staff writer John F. Berry and special correspondents Kaye Northcott in Austin, Bill Lynch in Baton Rouge and Jeffrey Kaye in Los Angeles.